

TEACHERS' RETIREMENT BOARD

REGULAR MEETING

SUBJECT: Cash Balance Benefit Program Update

ITEM NUMBER: 12

ATTACHMENT(S): 0

ACTION:

MEETING DATE: May 6, 1999

INFORMATION: X

PRESENTER: Mr. Lujano

A. SUMMARY

As of *April 15, 1999*, Cash Balance (CB) Benefit Program participating employers are actively reporting a total of 5,534 participants and the Program has received over \$3.58 million in contributions. Montgomery Elementary and Antelope Valley Community College Districts are still involved in various stages of their implementation/election processes. Ventura County Community College District began submitting contributions for their CB Benefit participants in April. Additionally, the governing board of the Foothill-De Anza Community College District in Santa Clara County has just recently passed a resolution to offer the CB Benefit Program to their part-time instructors, effective July 1, 1999. The district has requested that program staff conduct general employee workshops some time near the beginning of their election period. In addition, staff has offered to conduct on-site training for district staff regarding the implementation/election processes.

B. UPDATE ON PROGRAM MARKETING

From July 1998 through April 1999, 50 employee workshops have been presented to an estimated total of 765 individuals. This is in addition to 54 meetings scheduled with school district officials.

Product Promotion staff presented a CB Benefit Program workshop at the 1999 Southern California CalSTRS Institute in San Diego, California on April 2, 1999. 25 employers attended the workshop and four individuals requested additional information and/or additional workshops at their district office. Initial contact has been made and workshops are in the process of being scheduled.

Staff is developing a targeted mailing to all districts within counties that have completed the required data processing changes necessary to support the reporting of the Cash Balance Benefit Program

Both Ventura County Community College and Antelope Valley Community College Districts are currently in the 60-day enrollment and implementation phase. This phase will continue until the last day of the election period, which is May 31, 1999.

Product Promotion staff are currently in the process of revising all CB Benefit Program marketing and educational material. The revisions will include incorporating the new CalSTRS logo as well as eliminating the current logo that was used by the CB Plan. The new material will be available by June 15, 1999. Staff is currently exploring alternatives for a new CB Benefit Program “look”.

Additionally, a list of frequently asked questions is being collected from workshop feedback and is being developed for inclusion in the existing list of Frequently Asked Questions located on the CalSTRS Cash Balance Benefit Program web site.

The following workshops are scheduled for the immediate future:

Summer 1999 (date to be determined)

Foothill De Anza Community College Employee Workshops

May 1999 (tentative)

Simi Valley Unified - Ventura County

C. UPDATE ON ADMINISTRATION

PROGRAM GROWTH

The table below represents the current year CB Benefit Program growth including the percentage of change from the previous month.

	January 1999	% of Change	February 1999	% of Change	March 1999	% of Change
Participants	5,071	+ 2%	5,135	+ 1.3%	5,427	+ 5.7%
Employers Actively Reporting	15	none	15	none	15 ¹	none
Participating Counties	10	none	10	none	10 ²	none
Total Contributions Received³	\$3,020,000	+ 7.8%.	\$3,163,000	+ 4.7%	\$3,514,000	+ 11.1%
Net Asset Value³	\$3,447,000	- 0.08%	Unavailable until 4/25/99		Unavailable until 5/25/99	

¹ Three additional employers began reporting in April and one employer adopted a resolution in April.

² Ventura County began reporting in April.

³ Amounts rounded to the nearest thousand dollars.

PARTICIPATING EMPLOYERS

The following is a list of the 19 employers offering or have decided to offer the CB Benefit Program to their part-time, substitute and adjunct faculty as of April 22, 1999.

COUNTY	K-12 SCHOOL DISTRICTS	COMMUNITY COLLEGE DISTRICTS
Alameda	Berkeley Unified	
		Chabot-Las Positas
		Fremont-Newark
		Peralta
Contra Costa	West Contra Costa Unified	
		Contra Costa
Los Angeles		Antelope Valley*
		El Camino
		Glendale
Sacramento	Robla Elementary	
San Diego	Grossmont Union High	
Santa Clara		San Jose-Evergreen
		Foothill-De Anza*
Solano		Solano
Sonoma	Montgomery Elementary*	
		Sonoma County
Ventura		Ventura County**
Yuba		Yuba
San Francisco		San Francisco

*Employers currently in the implementation or election phase.

**Currently with in the 60-day election period and reporting contributions.

RATE OF RETURN ON INVESTMENTS**(Aggregate – TC11 and TC64)**

The long-term rate of return on CB Benefit Program funds has held its investment value even through the fluctuating market experienced during the 1998/99 fiscal year. The following table shows the various rates of return on investments for the Program.

Period of Time	Rate of Investment Return
1 month (2/1/99 – 2/28/99)	-3.36
FYTD (7/1/98 – 2/28/99)	8.18
1 year (3/1/98 – 2/28/99)	16.28
Since Program Inception (2/1/97 – 2/28/99)	21.62

BENEFIT APPLICATIONS

As of April 23, 1999, the CB Benefit Program has received a total of 22 benefit applications: 10 retirement applications, 10 termination applications, and two death benefit applications. Of those 22 applications, 18 have been paid, and four are not eligible for payment at this time due to the one-year waiting period for termination benefits. The following tables represent the individual breakdown of benefit applications.

Applications Received

	Jan 99	Feb 99	Mar 99	Apr 99	Total To Date
Retirement	3	2	2		10
Termination	1	1	1		10
Death	0	0	0		2
Disability	0	0	0		0
Totals	4	3	3		22

Completed Applications Ready for Payment

	Jan 99	Feb 99	Mar 99	Apr 99	Total To Date
Retirement	3	1	3	3	10
Termination	1	0	0	0	6
Death	0	0	0	0	2
Disability	0	0	0	0	0
Totals	4	1	3	3	18

Benefits Paid

	Jan 99	Feb 99	Mar 99	Apr 99	Total To Date
Retirement	0	0	5	3	7
Termination	0	0	6	0	6
Death	0	0	2	0	2
Disability	0	0	0	0	0
Totals	0	0	13	3	18